



TOWN OF NORTH ANDOVER

FINANCE COMMITTEE

Meeting Minutes

Meeting Date: 15 October 2009

Meeting Location: Town Hall, Second Floor
Conference Room

Meeting Called to order: 6:40 PM

I. FinCom Members in Attendance

Mark Rodgers-MR, Chairman	X	Bahrawy Ramsey -RB	
Peter Besen-PB, Vice Chairman	X	Bonnie Wilkinson-BW	X
Ben Osgood-BO	X	Carlos Bielicki-CB	
Jean Sullivan-JS	X	Thom Dugan-TD	X
Alan Lebovidge-AL	X	Herb Cunha-HC, Minutes	

Non FinCom Members in Attendance

OTHERS: Mark Rees, MRees-Town Manager

Note: All FINCOM votes are subject to change upon receipt of new information.

II. Previous Minutes Approved

DATE: 1 Oct 2009 Approved Unanimous

III. New Business

AGENDA ITEM: 3.1 Update on State Budget

Discussion:

- Mrees provided an update on the state budget
 - For FY10 (current year) suggestions are that the state budget will be as much as \$600 million below the \$18.879 billion consensus forecast for which the current state budget is based.
 - For FY11 the state budget shortfall could be as much as \$2-3 billion dollars. Much of this is due to one time spending that was used to balance FY10.
 - The Massachusetts Taxpayer Foundation generated much of this information
 - A report from Timothy Murray (Lieutenant Governor) described the action plan the governor is considering to handle the budget shortfall. These include
 1. Reduction of spending by \$600 million
 2. Reduce headcount by up to 2,000 state jobs
 3. Consolidation of state agencies and services where possible
 4. Energy cost savings through joint purchasing

5. Expansion of 9C budget authority

- Mress reviewed letter sent by Mark Rees and the Board of Selectmen to State Senator Steven Baddour making the following requests to help the town of North Andover
 1. Do whatever possible to avoid additional cuts in local aid to North Andover
 2. Allow municipalities to remove health insurance as a subject of collective bargaining (the same as the state grants itself)
 3. Remove “prevailing wage” requirements from public construction projects.
 4. Reform special education to reduce the rapid increases in costs
 5. Provide retirement systems additional time to recoup from investment declines
 6. End current confusion regarding funding the Quinn bill by passing a law which clearly states that municipalities are not obligated to make up for the states funding drop.

AGENDA ITEM: 3.2 Update on Labor Negotiations

- Discussion:
- MRees: Discussed current status of labor negotiations:
 - 8 of 9 town side unions agreed last year to zero percent wage increases.
 - Fire department has not agreed and the impasse is heading towards arbitration
 - Discussions for the next round of labor contracts with the other unions are underway.

AGENDA ITEM: 3.3 Proposed Meeting Schedule Change

- Discussion:
- MR proposed that in order to allow school committee members more freedom to attend FINCOM meetings it would be a good idea to change the FINCOM yearly schedule to reduce overlap with school committee meetings. It was unanimously agreed to change the meeting schedule. A new meeting schedule will be posted on the town website.

AGENDA ITEM: 3.4 Monthly town Finance Reports

Discussion: -Mrees reviewed the latest budget status report as prepared by Lyne Savage, Town Budget Director for the period ending August 31,2009. Mress reported that in balance the town continues to operate on plan as projected and does not currently see any large problems.

AGENDA ITEM: 3.5 Discussion of Budget Forecaster

Discussion: -MR discussed current status of budget forecasting tool and suggested that the FINCOMs first task would be to consider the growth prediction amounts the form a key part of the forward looking budget.

V. Adjournment

Motion: AL
Seconded: JS

Unanimous
Time: 8:12 PM